

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In re:)
)
Report to Congress Regarding the) IB Docket No. 06-61
ORBIT Act)

COMMENTS OF INTELSAT

Intelsat LLC and its affiliated entities (collectively, "Intelsat") hereby respond to the Federal Communications Commission's ("FCC" or "Commission") request for comments in the above referenced proceeding.¹ The Commission seeks comments in order to compile its seventh report to Congress pursuant to Section 646 of the Open-Market Reorganization for the Betterment of International Telecommunications Act ("ORBIT Act" or "Act").²

Consistent with the purpose of the ORBIT Act, Intelsat is fully privatized and subject to intense competition in the commercial environment produced by privatization. As a privatized entity, Intelsat's competition comes from traditional providers of satellite services (*e.g.*, SES Global, Eutelsat, Telesat Canada, Satmex and a host of regional

¹ International Bureau Information: Report to Congress Regarding the ORBIT Act, DA 06-559, Report No. SPB-215 (Mar. 9, 2006) (Public Notice).

² Open-Market Reorganization for the Betterment of International Telecommunications Act, Pub. L. 106-180, 114 Stat. 48 (2000), *as amended*, Pub. L. No. 107-233, 116 Stat. 1480 (2002), *as amended*, Pub. L. No. 108-228, 118 Stat. 644 (2004), *as amended*, Pub. L. No. 108-371, 118 Stat. 1752 (2004), *as amended*, Pub. L. No. 109-34, 119 Stat. 377 (2005).

satellite systems), as well as newer providers and resellers of satellite services (e.g., Loral Skynet, EchoStar Communications Corporation and DIRECTV). Intelsat also faces increasingly significant competition from terrestrial sources, such as fiber optic cable, broadband-enabled IP applications and terrestrial wireless platforms.

Intelsat continues to respond to these competitive market forces. Since Intelsat last filed comments in April 2005, it has announced that it intends to acquire PanAmSat Holding Corporation (“PanAmSat”) to create a premier satellite company that will be a leader in the digital delivery of video content, the transmission of corporate data and the provisioning of government communications solutions.³

On September 30, 2005, Intelsat and PanAmSat jointly filed a consolidated application for Commission consent to the transfer of control to Intelsat of the PanAmSat entities that hold FCC licenses.⁴ In the application, Intelsat and PanAmSat explained that the merger of the complementary assets and expertise of the two companies will result in a number of public interest benefits.⁵ For example, the combination of the two fleets will allow the merged entity to increase the output of currently under-supplied services that

³ See Press Release, Intelsat, Intelsat and PanAmSat to Merge, Creating World-Class Communications Solutions Provider (Aug. 29, 2005), *available at* http://www.intelsat.com/press/release_details.aspx?year=2005&art=20050829_01_En.xml (last visited Mar. 28, 2006).

⁴ See *Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC, and PEOP PAS, LLC, Transferors, and Intelsat Holdings, Ltd., Transferee, Seek FCC Consent to Transfer Control of Licenses and Authorizations Held by PanAmSat Licensee Corp. and PanAmSat H-2 Licensee Corp.*, IB Docket No. 05-290, DA 05-2715 (Oct. 14, 2005) (Public Notice).

⁵ See *Constellation, LLC, Carlyle PanAmSat I, LLC, Carlyle PanAmSat II, LLC, PEP PAS, LLC, and PEOP PAS, LLC, Transferors, and Intelsat Holdings, Ltd., Transferee, Consolidated Application for Authority to Transfer Control*, at 14-22 (filed Sept. 30, 2005).

would not otherwise be available, such as additional protected C-band capacity in the U.S. cable arc.⁶ In addition, strategic redeployment of satellites to maximize back-up capabilities will provide customers with more reliable service and well as more flexibility to meet shifting geographic needs.⁷ Finally, the merger will drive innovation and create operational efficiencies that will benefit customers.⁸

During the Commission's public comment period, no party opposed the transaction.⁹ Indeed, the commenters, which included numerous customers of Intelsat and/or PanAmSat, overwhelmingly filed in support of the acquisition.¹⁰ As significantly, commenters noted that the merger would not harm competition.¹¹

⁶ *Id.* at 16-17.

⁷ *Id.* at 17-20.

⁸ *Id.* at 20-23.

⁹ Two parties – the International Telecommunications Satellite Organization (“ITSO”) and Microcom – suggested conditions be imposed as part of any grant. *See* Comments of ITSO, IB Docket No. 05-290, at 1-2 (filed Oct. 31, 2005) and Comments of Microcom, IB Docket No. 05-290, at 1 (filed Oct. 31, 2005). As Intelsat and PanAmSat explained in their Joint Response, however, the proposed conditions do not respond to demonstrated harms cognizable to the transaction and are unnecessary. *See* Joint Response of Intelsat and PanAmSat, IB Docket No. 05-290, at 5-14 (filed Nov. 29, 2005).

¹⁰ *See, e.g.*, Comments of ARTEL Inc., IB Docket No. 05-290, at 2 (filed Nov. 14, 2005).

¹¹ *See, e.g.*, Letter from Loral Space & Communications, Ltd. to Donald Abelson, FCC Int'l Bur., IB Docket No. 05-290, at 2 (filed Nov. 14, 2005).

In short, Intelsat's privatization continues to have a positive impact on the global marketplace for communications services. The acquisition of PanAmSat will allow Intelsat to offer expanded communications services, thus increasing competition in the market. This, in turn, benefits consumers, who have more choices available to them at more competitive prices.

Respectfully submitted,

Intelsat LLC

By: 

Bert W. Rein
Jennifer D. Hindin
Wiley Rein & Fielding LLP
1776 K Street, N.W.
Washington, DC 20006-2304
202.719.7000

Its Attorneys

March 30, 2006